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THE OPPOSITION PARTIES IN JAPANESE POLITICS

Summary

Japan's opposition parties, which together hold 300 of the 758 seats in both houses of the Diet, have been described as a "permanent opposition" since, to date, they have been unable to break the Liberal Democratic Party's 30-plus years of uninterrupted rule. This has been due to an apparent conservative shift in Japanese voting behavior, the divisions among the numerous opposition parties and their inability to adapt their rhetoric and political agenda to social and economic developments. The parties' failures to exploit LDP factional feuds or capitalize on public opposition to certain ruling party policies at strategic moments also are factors that over the years have sealed their fates as minority players in the governmental process.

Opinion polls indicate that the Japanese public clearly believes that the LDP is the party most qualified to govern the country. Thus, it is highly unlikely that LDP dominance of Japan's political system will end in the foreseeable future. However, some Japanese political observers suggest that the non-communist opposition parties might be able to wrest some control from the ruling party by uniting as one party. In addition, internal power struggles conceivably could lead to a split within the LDP, with the splinter LDP group aligning with one of the centrist opposition parties. But the political payoffs in pursuing either scenario are highly uncertain, a factor that in the final analysis may continue to deter significant breaks from government "tradition."

The Opposition Parties: Who They Are

Japan's political system has been described as a multiparty/one-party or predominant party system.[1] There are approximately five active political parties, but one, the Liberal Democratic Party, has managed since its formation in 1955 to win an absolute majority of seats in the Diet -- even in the face of political scandals, unpopular fiscal restraint programs, inflationary pressures and other factors that would have toppled a ruling party in most any other democratic nation. The LDP has enjoyed uninterrupted rule for more than 30 years, and this leadership stability has enabled Japan to realize the kinds of political, economic and social changes that have made it the global economic power that it is today.

Although much has been written about the ruling party, comparatively less attention has been directed at the opposition parties -- the Japan Socialist Party, the Democratic Socialist Party, Komeito, the Japan Communist Party and the (now disbanded) New Liberal Club. The Diet's lower house, which is the main lawmaking body, has 510 members, of which 302 belong to the ruling party and 203 to the opposition parties with five considered independents (see Table). The LDP currently holds an absolute majority by a margin it has not enjoyed since the 1960s (see Chart). But even with the ruling party's prominent strength, some analysts contend that the gap still is not so wide as to make effective opposition impossible.

Diet Membership, 1988

	Lower House	Upper House
Liberal Democratic Party	302	144
Japan Socialist Party	86	42
Komeito	57	24
Democratic Socialist Party	29	12
Japan Communist Party	27	16
Independents	5	4
New Statesmen Club*	4	0
Nlin*	0	3
Salary Workers Party*	0	3
Total	510	248

*These minor parties differ from the opposition parties in that they generally have a single-issue focus and lack a significant external supporting organization.

Source: Information Section, Ministry of Foreign Affairs

[1]Ronald J. Hrebenar, "The Changing Postwar Party System," in The Japanese Party System: From One-Party Rule to Coalition Government, ed. Ronald J. Hrebenar (Boulder, Colorado: Westview Press, 1986), p. 6.

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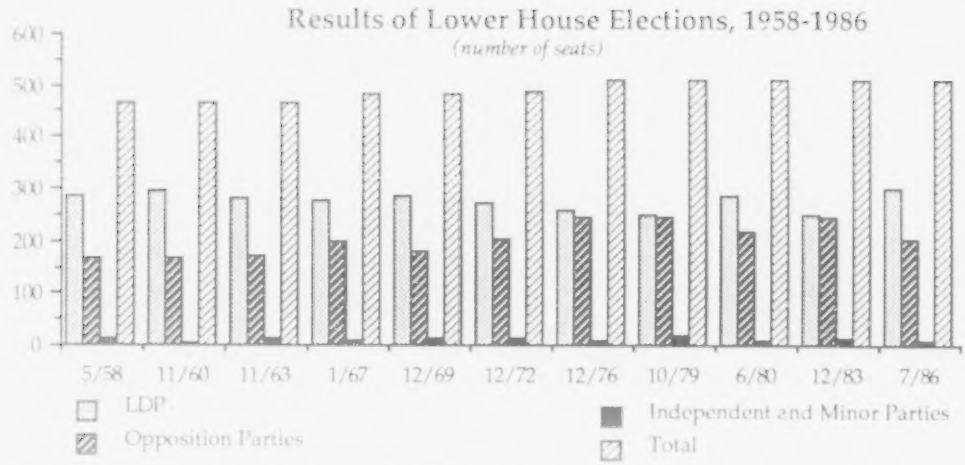

Source: Gerald L. Curtis, The Japanese Way of Politics (New York, N.Y.: Columbia University Press, 1988).

The LDP may have enjoyed uninterrupted rule over the years -- but not dictatorial rule. Japan's political process, after all, is democratic in nature. The ruling party generally must be responsive to opposition party interests and concerns in formulating government policy or face a public backlash. The nature and the extent of this interparty compromise has changed over the years as LDP and opposition party strengths have waxed and waned.

Why would a generally pro-LDP public react negatively to tactics in which the LDP ignores the opposition? The answer is tied up with other questions. Who are the opposition parties? Who are their constituents? How have they affected government policy? And, most important, why have they come to be considered a "permanent opposition" unable to break the LDP's leadership lock? Before tackling these questions, it is useful to review how each of these parties came into being and where they are positioned in the Japanese political spectrum.

Japan Socialist Party - Since its reorganization in 1955, the Japan Socialist Party has been the largest opposition party in the Diet. The JSP consistently has criticized the policies of the conservative majority. For a brief period in 1947 and 1948 the JSP ruled Japan as part of a coalition government, but it has yet to repeat this achievement. In fact, in recent years its support has plummeted to all-time lows. According to Japanese political experts, this decline in power and influence is due to the party's inability to adapt to economic and social change.[2] The JSP's political heritage is that of a party

[2]Gerald L. Curtis, The Japanese Way of Politics (New York: Columbia University Press, 1988), p. 123.

dedicated to the articulation of a world view favoring neutralism and unilateral disarmament -- a view different from that of the current government establishment. It has remained backward in adapting to new and more complex realities, especially Japan's economic growth and relatively egalitarian income distribution.

Although its ideological roots are in the proletarian movement of the 1920s, the JSP's initial popularity derived almost entirely from its opposition to constitutional reform, particularly Article IX, which prohibits Japan from ever going to war, and its opposition to Japan's rearmament and the U.S.-Japan Security Treaty. It was at this time, in the late 1950s and early 1960s, that the JSP was viewed as a potentially powerful party.

Although socialist parties traditionally have enjoyed solid backing from the blue-collar labor force, during this same period the JSP drew its support from a wide range of occupational groups: blue-collar workers, white-collar workers, farmers, merchants and small businessmen. As it does today, the JSP back then also had strong ties with the unions, particularly the Sohyo federation, which is the left wing of the labor movement. Some believe that the party then had the qualities of a catch-all political force, with a potentially wider appeal than the LDP.[3] It also was viewed by many observers as likely to become the majority party as Japan became more urbanized and industrialized.

As the Japanese electorate began to enjoy the fruits of economic success and better understand the benefits of an alliance with the United States, however, the JSP's policies began to seem outmoded. Rather than adapting its platform to this changed environment, the Socialists turned inward, channeling their energies into internal leadership struggles and debates on Marxist-Leninist ideology that were of little relevance to an increasingly prosperous nation. Public interest and support for the party declined accordingly. In May 1955 the JSP obtained 32 percent of the vote; in 1976 this declined to 20 percent. In 1986 and 1987 JSP support had dropped to an all-time low of 17 percent.

Perhaps the most surprising defection of constituents was from among blue-collar voters. In the early 1960s the Socialists enjoyed the support of more than half of Japan's blue-collar workers. By the mid-1970s this level had dropped to approximately one-third, and by the mid-1980s the JSP could claim the support of only one-fifth of these voters. Privatization of Nippon Telegraph and Telephone Public Corp. and the Japanese National Railways in the 1980s also has undermined labor's ability to secure votes for the JSP. The LDP, which in 1986 received 46 percent of the blue-collar vote, clearly was seen as offering workers something more promising than was on the Socialists' menu.

As Gerald Curtis of Columbia University observes in The Japanese Way of Politics, the JSP's status as a "permanent opposition" in an LDP-dominated political system has had an enervating impact. The minority status has tended to perpetuate the party's stagnant view of itself and sapped all inspiration to develop relevant, alternative policies for the Japan of the 1980s. With no hope of coming to power, members have little incentive to play an active role in policy development or building JSP's national organization. Moreover, since there is a strong possibility of never having to implement policy proposals,

[3] Ibid., p. 121.

the party's leadership feels it has nothing to lose by advocating extreme or doctrinaire policies. As a result, many Japanese regard the party as poorly organized, indifferently led, narrowly based, irresponsible in policy, and lacking in policy expertise and leadership talent.[4]

Thus, in order to ensure its continued survival -- albeit in a considerably weakened role -- the JSP by necessity has compromised its "anti-system" principles by seeking accommodation with the LDP through, among other things, under-the-table deals to secure benefits for JSP supporters. This also takes the form of horse-trading. For example, the LDP will agree to a JSP walkout from the Diet in protest of a particular issue if, in return, the Socialists will agree not to obstruct action on other measures.[5] It is a strategy of resignation -- a strategy born as hope waned of ever effectively challenging LDP supremacy.

Democratic Socialist Party - The Democratic Socialist Party is actually a splinter from the JSP. Internal ideological and policy differences within the JSP came to a head in the late 1950s when the Democratic Socialist founding group advocated a more pragmatic approach to the U.S.-Japan Security Treaty and other postwar democratization measures, rather than the JSP's virulent opposition. In the Japanese political spectrum, the DSP -- the Socialist party's "right wing" -- is considered one of the centrist parties.

When the DSP was formed in 1959, it was the third-largest party in the Diet, with 40 seats in the lower house and 17 in the House of Councillors. However, it barely survived its first general election in November 1960; only 17 of the party's 40 incumbents won re-election, and not a single nonincumbent was elected. Japanese political observers contend that the party's shaky start was due to distinct choices between the LDP/conservatives and the JSP/progressives at a time when voters were not necessarily looking for a centrist alternative. Since the DSP was neither fish nor fowl, it floundered in the middle.

For this reason, the DSP has drawn its candidates and constituent support from heavy reliance on the Domei federation, a group of trade unions that principally represent the private sector. (Domei is a right-wing splinter of the Sohyo union, much like the DSP is a conservative offshoot of the JSP.) The DSP's reliance on Domei has both helped and hurt it over the years since Domei control of its membership is weak. (Only 15 of the 31 Domei unions are listed as official supporters of the DSP.) Moreover, since the 1970s, there has been a consistent pattern of decline in the proportion of workers who belong to a labor union, particularly in the private sector. Perhaps most significant, the DSP's strong identification with Domei has limited its appeal to nonunion voters.

It comes as no surprise that the geographic distribution of DSP support mirrors Domei membership. In general, the DSP usually trails the other parties in congested metropolitan areas but tends to fare better in semirural areas.

[4]J.A. Stockwin, "The Japanese Socialist Party: A Politics of Permament Opposition," in The Japanese Party System: From One-Party Rule to Coalition Government, ed. Ronald J. Hrebenar (Boulder, Colorado: Westview Press, 1986), p. 83.

[5]Curtis, op. cit., p. 124.

Although no match for the LDP or even the JSP in rural constituencies, it still tends to do better than Komeito.

According to the DSP's original 1960 platform, the party professes a belief in democratic socialism and its triumph over both capitalism and communism. But in terms of current domestic policies, the DSP and the LDP share very similiar views. As will be discussed below, the DSP has been the most cooperative of the opposition parties during this year's Diet debate on tax reform.

The DSP's most significant policy shift -- one that clearly differentiates it from the JSP and places the party firmly in the political center -- has been in the defense area. The party's initial position stated that only "minimum measures to defend [Japan] with our own strength should be taken until a complete disarmament agreement is concluded." By 1977 this platform had shifted to offer firmer support of the Self-Defense Forces and the U.S.-Japan Security Treaty. And by 1980 the DSP had become almost hawkish on defense, urging that defense expenditures not be limited to 1 percent of gross national product.

Historically, the major difference between the LDP and the DSP concerned Japan's defense role and the security treaty. Since that is no longer a divisive issue, Japanese political experts suggest that a coalition between the DSP and the LDP or significant factions of the ruling party is not inconceivable. But given the narrow scope of its membership and the limitations posed by its ties with Domei, it is doubtful that the DSP will ever become a significant party in its own right.

Komeito - Komeito, or "Clean Government" party, was formed in 1964. It is unique in Japanese politics for two reasons. First, it did not break from any of the existing parties. And second, it is essentially a religious party; its ideology is grounded in Japanese Buddhism. Thus, in terms of ideology, basic policy orientations and social bases of support, it is difficult to classify Komeito using standard "conservative" and "liberal" political labels.

Although Komeito is the second-largest opposition party, feelings among the Japanese people toward it are seldom neutral, usually ranging from intense support to intense dislike. This lack of ambivalence stems from its creation by -- and continuing close relationship with -- Soka Gakkai, a lay organization of the Nichiren Shoshu sect of Japanese Buddhism. This organization was founded in the early 1930s and probably is best described as a Japanese equivalent to some of today's fundamentalist Christian groups but with more of a political message. "Believers" were promised health and wealth in return for their devotion to the Soka Gakkai interpretation of Buddhist doctrine. Thus, Komeito's constituency has been limited primarily to Soka Gakkai members. The party's continued efforts to tap into the non-Soka Gakkai electorate have proved unsuccessful. For its members the party draws heavily from those who have moved from rural to urban centers and have felt rootless in their new environment.

In terms of policy, Komeito initially advocated a pacifist approach not unlike the JSP. It opposed Japanese rearmament and the bilateral security treaty. However, as the alienating effect of its religious affiliation became increasingly apparent over the years, the party began in the 1970s to move closer to the DSP and the LDP on policy issues. By 1980 Komeito had dropped its call for abrogation of the security treaty and indicated greater support for the current Japanese defense buildup. However, the party has not swung quite as far to the right on this issue as the DSP. Komeito also has indicated its interest

and willingness to join an LDP-led coalition or to merge with the DSP into a broader-based centrist party, although it is unclear how receptive the other parties would be given the emotional reaction to Komeito among "non-believer" Japanese voters.

Due in large part to the moderate size and the stability of its Soka Gakkai-based support, Komeito has become the only opposition party since 1955 other than the JSP to have more than the 50 lower house seats needed to submit budget-related legislation and motions of nonconfidence in the Diet. With this sort of parliamentary presence, both the JSP and the LDP have found it necessary to seek Komeito's cooperation. Like the DSP, however, the relatively narrow scope of Komeito's membership will necessarily limit its ability to seize the reins from the ruling party.

Japan Communist Party - The Japan Communist Party, founded in 1922 but purged during the Occupation, did not begin to play a significant role in Japanese politics until the 1960s. This corresponded with its rejection of the Chinese and the Soviet communist models and its emphasis on nationalism. The late 1960s and early 1970s saw semantic changes in the JCP's platform that moved it away from Marxist-Leninist dogma and attempted to erase the totalitarian image of communism. At its July 1976 party congress, the JCP adopted a new Manifesto for Freedom and Democracy, in which it declared that a JCP-led government -- in addition to respecting civil liberties -- would permit the continued existence of a multiparty system, allow private industry to continue, and establish a foreign policy more independent from the United States -- the "three freedoms." Several analysts have observed that in an effort to broaden its appeal, the JCP attempted to give itself a "moderate Eurocommunistic look."

Although the JCP has always enjoyed a strong following among intellectuals, it began during the late 1960s to make inroads into the same social groups that were attracted to Komeito. Between the elections of 1967 and 1969 the JCP tripled its number of Diet seats. In the 1972 election the number more than doubled again, to 38 seats with 10.5 percent of the popular vote.

However, as the popularity of Marxist-Leninist thought waned among Japanese intellectuals, the JCP could not sustain this momentum. Its 1972 electoral performance remains unrepeated. Not unlike the DSP, the JCP's moderate stance does not attract those interested in lodging a protest vote. And in spite of its espoused commitment to the "three freedoms," more conservative voters are still so spooked by the JCP's Marxist-Leninist roots that they could never leap that far to support it over one of the centrist parties or the LDP. According to one Japanese political observer, "The JCP occupies that awkward middle ground in which it is not revolutionary enough for the radical fringe and not trustworthy enough for the adherents of democratic socialism."[6]

In Diet politics the JCP also has found itself increasingly isolated. Both Komeito and the DSP refuse to cooperate with it, and the LDP is more likely to co-opt the centrist parties on various policy initiatives.

[6]Peter Berton, "The Japan Communist Party: The 'Loveable Party'," in The Japanese Party System: From One-Party Rule to Coalition Government, ed. Ronald J. Hrebenar (Boulder, Colorado: Westview Press, 1986), p. 139.

New Liberal Club - The New Liberal Club was disbanded in 1986, but its 10-year existence nevertheless should be mentioned, particularly in light of speculation about a future split in the LDP and/or a coalition of the centrist parties.

In July 1976 one upper house LDP member and four lower house members of the LDP broke from the party to form the NLC. Led by lower house member Yohei Kono, the group left the ruling party during what has been described as the "dark days" of the Lockheed bribery and kickback scandal, fed up and disenchanted by factional rivalries and corruption within the LDP. Prior to his departure from the LDP, Mr. Kono had established an interfactional group of young LDP members to consider reform of the party's procedures for election of a prime minister -- a process thought to be the root of many of the LDP's internal problems. He also had designs on the leadership. Thus, in mid-1976 when his study group concluded that the LDP leadership was giving only perfunctory attention to procedural reform, Mr. Kono decided to strike out on his own and establish a second conservative party, presumably one that would not be tainted with corruption and the other problems he perceived in the LDP.

In its first lower house elections, the NLC surprised its critics by garnering an impressive 13 percent of the vote. More important, it made inroads into an electoral group that the LDP could not attract and for whom the JSP no longer had any appeal -- the young, educated, urban middle class. Although there was considerable speculation in the Japanese press that the NLC would develop into a conservative party representing primarily urban, middle class interests -- leaving the LDP to represent rural interests -- this did not happen. For one thing, the NLC had trouble repeating its early success. Problems cropped up in raising funds, luring potential candidates away from the LDP and expanding its voter appeal beyond the Tokyo metropolitan area. In addition, the NLC leadership itself remained divided over the party's future, whether to act as a catalyst for LDP reform with reunion as an eventual goal or to form a centrist party alliance.

This division led to a factional breakdown, with Mr. Kono favoring an interparty merger and secretary general Takeo Nishioka pushing for LDP reunion. Mr. Kono insisted that the primary task of the NLC was the destruction of the LDP's monopoly on government rule; the only way to do that, he theorized, would be to cooperate with some of the other moderate parties, namely the DSP. Mr. Nishioka later resigned from the party, taking with him four other members from his faction.

Although the Nishioka-Kono split wielded a blow to the fledgling NLC organization, the 1979 elections, characterized by exceptionally low voter turnout, almost wiped out the party's Diet representation (it secured only four seats). However, this election also deprived the LDP of its working majority in the Diet. In response, the ruling party offered to trade a cabinet appointment for NLC support for the election of Masayoshi Ohira as prime minister. When the LDP failed to deliver on the cabinet position, the NLC once again moved toward a centrist coalition. After the 1983 election, the ruling party once again needed the NLC's support. This time the LDP made good on its promise and appointed as home minister Seiichi Tagawa (who had succeeded Mr. Kono as party head). Other NLC members receiving appointments were Toshio Yamaguchi, who became labor minister, and Mr. Kono (reappointed party head in 1984), who was made director general of the Science and Technology Agency.

However, internal leadership squabbling and the grass-roots organizational problems that continued to plague the party led to the NLC's demise, aided by its dependence on a "floating vote" in the Tokyo metropolitan area. (Upon its dissolution, NLC members were welcomed back into the LDP fold.) But as Professor Curtis observes, the party did play an important role in Japanese politics during its 10 years of existence because it deprived the opposition of the opportunity to exploit public antagonism toward the LDP concerning the Lockheed scandal. It could be argued that the NLC also made the LDP more responsive to urban interests, from which the splinter group appeared to be making the biggest draw, but evidence suggests that the ruling party had already begun to adapt to the rural-urban migration.[7]

Most important, the NLC serves as a model, or an example, of what can happen to a new, minor party if its mission is unclear and its local organization is inadequate. Whenever the LDP or any of the opposition parties flirt with the coalition concept, the NLC's rocky experience no doubt offers cause for caution.

Impact on the Policymaking Process

The opposition parties have never held the reins of government power, but as the above suggests, they have not been totally excluded from the policymaking process. Their existence, in fact, has created friction in the party system, which, in turn, has forced the ruling party to grease the wheels of the legislative process. This was particularly the case in the 1960-70 period when the margin by which the LDP controlled the Diet was much smaller than it is today. The opposition parties offer alternative views and policies that the electorate is free to chose if it perceives that LDP policies are at variance with its wants and needs.

In short, potential voter backlash provides a powerful disincentive for the ruling party's resort to a "tyranny of the majority." Just because the opposition has been "enervated" does not mean that the LDP can totally disregard its views. Today's LDP may enjoy a new-found strength, but it has become so dependent on the support of a diverse social coalition that fear of alienating any significant element within this coalition acts as a powerful check on ruling party policies.[8]

As history has shown, whenever the ruling party has attempted to railroad through policies that are opposed by substantial segments of the population, the public has protested -- literally and figuratively, in the voting booth and even in the streets on occasion. The most dramatic example of public outcry was in 1960 when then Prime Minister Nobusuke Kishi attempted to ram the revised U.S.-Japan Security Treaty through the Diet. This precipitated what is widely regarded as the largest public protest in Japan's political history. At that time, wartime memories were still quite vivid and the JSP's call for unarmed neutrality enjoyed broad support. Although the electorate obviously believed that the LDP was better suited to rule the country than the Socialist party, voters nevertheless balked and staged massive demonstrations when they felt the ruling party was going against the grain of national sentiment.

[7]Curtis, op. cit., p. 35.

[8]Ibid., p. 37.

A more recent example involves the ruling party's efforts to enact a national sales tax. In 1986, when then Prime Minister Yasuhiro Nakasone was reveling in the LDP's massive landslide victory in that year's elections in both houses of the Diet, he attempted to take advantage of the ruling party's resurgent popularity by pushing an indirect sales tax through the Diet. This initiative galvanized the opposition parties to an extent not seen in recent years.

Prefectural-level by-elections in the spring of 1987 were transformed into referenda on the prime minister's tax proposal. The opposition parties pounded on the ruling party, accusing the prime minister of breaking his July 1986 campaign promise not to levy new, large-scale taxes. In voting booths around the country, LDP prefectural-level politicians were voted out of office. The ruling party dropped a total of 105 seats, ending up with 1,382 of the 2,670 at stake in 44 prefectures. This was just under the LDP's all-time-low total of 1,391 seats in 1975. In one highly publicized race in Iwate prefecture, the JSP, in particular, made impressive gains.

In addition to working changes at the grass-roots level, the opposition parties also paralyzed all Diet action on the fiscal 1987 budget and, as a result, forced a number of other issues to be shelved, such as the cabinet's decision in January 1987 to discard the decade-old policy of restricting defense expenditures to 1 percent of GNP. The deadlock was finally broken when the LDP leadership agreed to separate tax matters from the budget bill and submit them for later consideration by a panel that would include opposition party representatives. In a major defeat for Mr. Nakasone, the opposition subsequently forced the ruling party into yet another concession -- withdrawal of the 5 percent indirect tax proposal in order to facilitate consideration of the overall tax reform package.

Prime Minister Noboru Takeshita has faced similar tactics this year as he has attempted to pick up where his predecessor left off in proposing a broad-based consumption tax. At the prefectural level, he was tested in Fukushima, where the JSP threw its support behind a former LDP construction ministry bureaucrat in return for his campaigning against tax reform (see JEI No. 34B, September 2, 1988). Although, ironically, the candidates reportedly avoided discussing the indirect tax throughout the campaign, the LDP was concerned that a JSP victory would lend credence to the anti-tax arguments espoused by the opposition parties and undermine the already shaky base of public support for the consumption tax. The ruling party's subsequent victories in Fukushima were therefore portrayed as a boon to the prime minister's controversial tax proposal (see JEI Report No. 35B, September 16, 1988).

However, the opposition has not let up the heat concerning Diet consideration of tax reform. Through repeated boycotts the opposition parties have delayed for at least two months consideration of tax legislation that was ready for Diet consideration July 18. (An extraordinary Diet session was convened July 19 for the express purpose of considering the tax reform legislation.) Recent revelations of questionable stock transactions involving aides to top political leaders of the LDP and the DSP provided the opposition with a stall tactic. Its insistence that officials from the company involved be called before the Diet for a special hearing on the matter has delayed work on the tax bills.

In addition, the opposition parties have insisted that the currently proposed 3 percent consumption tax be separated from the package of bills involving other tax changes, so that Diet action on tax cuts (which they favor) can proceed in a more expeditious manner. Finally, at least for the moment, the opposition parties have dug in their heels and forced the ruling party to agree to a shorter extension of the extraordinary Diet session than it wanted in the hope that time will simply run out. The only party that has demonstrated a limited willingness to cooperate with the ruling party is the DSP. Whether the LDP can co-opt the Democratic Socialists on this issue -- and whether the participation of one opposition party will satisfy political appearances of at least limited consensus -- are open questions. At this point no one is taking any bets on whether the LDP can secure enactment of its tax reform package.

The opposition parties' influence in the Diet is more than procedural. Over the years the opposition also has affected the policymaking process through members' leadership of various committees. Diet rules require a party to have more than a simple majority of seats in order to control legislative committees. Fourteen of the lower house's 16 standing committees have an even number of LDP and opposition party members. Since committee chairmen are allowed to vote only to break a tie, a party must command a majority of two seats in each of these 14 committees if it is to control both the chairmanship and the majority of seats.

In the years when the LDP and the opposition parties had near parity in the Diet -- particularly during much of the 1970s -- the LDP's overall majority was not reflected in several key committees, which they did not control. For example, as a result of the 1972 lower house election, an election in which the LDP secured only 271 of the 491 seats, the ruling party had to relinquish the chairmanships of several special committees for the first time. In 1976, however, when the LDP majority dropped to 257 of the 511 seats, it had to give up the chairmanships of four of the 16 standing committees and seven of the nine special committees. It also lost the majority of seats on seven of the standing committees.

This had a significant impact on policy, particularly since one of the committees on which the LDP lost its majority was the budget committee. When the national budget was submitted to the committee in February 1977, the opposition parties refused to let it pass unless the government agreed to provide more money for social welfare as well as a trillion-yen tax cut. The ruling party refused to formally revise the budget, but in order to facilitate its passage the LDP had to accept a separate bill that provided for a Y300 billion tax cut and allowed for a supplementary appropriation for social welfare programs. Opposition party strength at the committee level forced what was, in reality, the first substantive revision of the government's budget since the LDP came to power.[9]

A similar pattern reappeared in 1979 and 1980 when opposition party presence on the budget committee forced the LDP into hardball negotiations that resulted in substantive changes closer to what the opposition wanted. This greater influence on the policymaking process that the opposition parties came

[9]Ibid., p. 38.

to enjoy through their committee assignments resulted in a decline in the number of bills passed unilaterally by the LDP; the number of ramrodded bills went from approximately 20 percent in the earlier years of undisputed majority to less than 5 percent in the 1977-80 period.[10] Even now that the ruling party has reclaimed control of virtually all of the key committees, this process of interparty negotiation and coordination continues.

The Future: "Permanent Opposition?"

If the opposition parties can influence the policymaking process and even acquire the strength to pose a challenge to LDP dominance, why then have they been unable to break out of their "permanent opposition" status? As suggested with regard to the JSP, its prolonged minority position has sapped its vitality -- and, indeed, the Socialist party may not be the only victim of this tendency. Moreover, the Japanese public has grown so accustomed to LDP leadership that it has difficulty regarding the opposition as capable of forming a viable government.

All of the opposition parties have repeatedly missed opportunities to take advantage of LDP factional infighting. During the early 1980s, for example, when the race for prime minister was hotly contested by Mr. Ohira and former Prime Minister Takeo Fukuda, the opposition could not agree on a strategy. Some were worried that the failure to form a coalition government with disaffected LDP factions would lead to even greater losses in the next election; others, as a matter of principle, could not bring themselves to support an LDP leader for prime minister when their party's entire raison d'etre had been to oppose the conservative majority.

Continued fragmentation of the political left and center over the years has reinforced the ruling party's lock on government leadership. By choosing to stay stubbornly independent, the opposition parties have allowed themselves to remain divided and conquered.

In terms of voter appeal, the opposition parties are all fighting for a much smaller share of the electorate due, in part, to the LDP's ability to adapt to Japan's rapid economic modernization. The ruling party recognized in the 1970s that in order to retain power it would have to broaden its constituency by becoming more responsive to the needs and interests of the increasingly urban-bound populace. In short, the LDP built a rural/urban bridge. The JSP, on the other hand, allowed its bridge to collapse. The other opposition parties do not appear to have a clear conception of who their constituencies are and, over the years, have simply scrambled for the leftovers, the amorphous group of independent voters.

Since the mid-1970s, however, independent voters have begun to shift their support increasingly to the LDP out of disenchantment with the opposition. Public opinion surveys suggest that this dissolution on the left and center may be contributing to a realignment on the right. But there is greater evidence to suggest that what may really be happening in Japan is a weakening of strong partisan feelings and party identification.[11] Approximately 60

[10] Ibid., p. 39.

[11] Ibid., p. 202.

percent of Japanese voters reportedly do not decide whom to vote for until close to election day. They then are more likely to cast an LDP vote because the party is familiar; the opposition does not have a more attractive alternative to offer; and the LDP has been in charge during the Japanese economic success story and, thus, is the safer bet to protect hard-won improvements in living standards. In Professor Curtis's words:

> Economic success -- and the intense interest of the rest of the world in learning how Japan achieved it -- has tremendously eroded a Japanese perception of a contradiction between Japaneseness and modernity. This amounts to a fundamental change in Japan's political culture, one that is at the heart of the disintegration of the progressive camp and the new surge in support for the LDP.[12]

Finally, the LDP and the opposition parties appear to have different attitudes and approaches toward what it takes to secure and retain power. Since its earliest days in power, the ruling party's highest priority has been winning elections. The JSP, by comparison, has been more ambivalent about building local organizations and political machines, due in part to its roots in the prewar proletarian movement. The other parties have been handicapped by their size, lack of resources or dependence on other organizations to deliver candidates and voters (i.e., Domei aiding the DSP and the Soka Gakkai helping Komeito).

Conclusion: A Coalition Government?

More recent signs of moderation in the opposition parties have prompted some analysts to speculate on the possibility of a non-communist coalition. Such an interparty alliance would certainly improve the opposition's chances of challenging LDP leadership. As discussed, the opposition generally has worked together as a bloc to oppose tax reform initiatives, both in 1987 and this year. In a rather unprecedented show of cohesion, the JSP, Komeito and the DSP rallied to the JCP's defense earlier this year when Koichi Hamada, LDP chairman of the lower house budget committee, publicly attacked JSP chairman Kenji Miyamoto, calling him a murderer. Opposition party pressure, as well as subsequent bribery disclosures, finally forced Mr. Hamada's resignation.

Both the JCP and the JSP also have been pursuing a softer line in foreign policy, perhaps bringing them closer to each other on a limited number of issues. Most recently, for example, both indicated that they would like to pursue friendlier relations with South Korea, a country toward which both parties have maintained chilly relations for decades. And potential unification of Sohyo and Domei also might pave the way for a reconcilation between the JSP and the DSP.

While these factors point in a potentially unifying direction, such an alliance remains highly unlikely. Personal animosities and ideological/policy differences that originally spawned the parties -- while less intense in the 1980s -- nevertheless still exist. It is simply too high a risk for the opposition to subordinate individual party interests and mini-power centers for the higher, but by no means assured, goal of wresting control from the LDP.

[12] Ibid., p. 232.

What about an LDP/opposition coalition arising from a split within the ruling party? This appears slightly more feasible, given the intense factional rivalries that characterize today's LDP politics, but it is still unlikely. In 1984, when Prime Minister Nakasone was up for re-election, former LDP secretary general Susumu Nikaido attempted to negotiate an agreement with Komeito and the DSP to form a coalition government with himself as prime minister. What apparently nixed the arrangement was not opposition party resistance so much as LDP factional politics: former Prime Minister Kakuei Tanaka would not let his faction, of which Mr. Nikaido was a member, abandon Mr. Nakasone.

The NLC's failure also stands as an example of what can happen once one leaves the political mainstream. Again, the risks of breaking with more than 30 years of political "tradition" far outweigh the potential benefits. Barring a dramatic downturn in the ruling party's political fortunes, precipitated perhaps by adverse developments on the economic front and/or a foreign policy catastrophe, all signs point to a long continuation of Liberal Democratic rule.

For further information, contact Barbara Wanner.

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The views expressed in this report are those of the author and do not necessarily represent those of the Japan Economic Institute.

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IN THIS ISSUE:

Direction Of Japan's Trade Surplus Unclear 1

Internationalization Of The Yen Advances 2

Japan's Internal, External Economic Policies Blasted 6

Subcabinet Talks Boost IVAN Settlement 7

Aid To The Philippines 9

Japan Socialist Party Seeks Improved Ties With South Korea 10

Notes: NTT Stock Sale; Japan's GATT Complaint; Congressional Adjournment 11

Direction Of Japan's Trade Surplus Unclear

Has the contraction in Japan's huge trade surplus come to an end after only five quarters of improvement? That is a subject of heated debate in Tokyo, set off by the report that the surplus in dollar terms inched up in the July-September period from the year-earlier quarter. For now at least, economic policymakers are taking the position that progress on the trade front is just stalled. While acknowledging that exports are on a definite upswing, they point to the healthy gain posted by manufactured imports in the third quarter as proof that Japan's trade structure is still moving in the right direction. The main snag, according to government officials, is the declining world market price of oil. Japan's oil imports increased 5.8 percent between July-September 1987 and the same three months of this year, but lower prices trimmed the bill 11 percent or $0.5 billion -- more than enough to account for the rise in the third quarter's surplus.

Business economists, however, generally maintain that the days of a shrinking trade surplus are behind Japan. In this view the realignment of the dollar-yen exchange rate has lost its power to narrow the gap between Japanese exports and imports. On the one hand, big exporters have learned to live with the yen in the 120 to 130 range. That adjustment, it is added, is the main reason the volume of overseas shipments expanded 6.6 percent in the July-September period after going up by 2.5 percent in each of 1988's first two quarters. On the other hand, the ability of the strong yen to pull in more imports each quarter has been checked by some slowdown in Japanese domestic growth. The volume of purchases from abroad was 21.5 percent above its year-earlier level in the January-March period, corporate trade watchers note, but in the three months through September, the gain was trimmed to 15.2 percent.

Regardless of their differences over the direction of Japan's trade surplus in the short run, government and business economists agree that the full-year 1988 figure will come in under last year's final tally of $79.7 billion -- but just barely. Private-sector forecasters certainly would not be surprised if exports topped imports by $78 billion or $79 billion since the black-ink entry declined by only $6.7 billion before widening at midyear. At the same time, simple arithmetic suggests that a $75 billion surplus is the best that can be expected.

Government officials in Tokyo undoubtedly are worried about how a trade surplus of this magnitude will play in foreign capitals. A potentially bigger problem, though, could be the slow progress in cutting the imbalance with the United States. The bilateral surplus did continue to decline in the July-September quarter, in part, it appears, because last year's turnaround in the Japan-U.S. numbers lagged the course reversal in the overall trade account by one quarter. Even so, Japan's surplus with this country is running only $4.7 billion behind 1987's record-breaking pace. A straight-line extrapolation of the January-September number puts the 1988 bilateral surplus at $44.4 billion. But given recent trends in exports and imports, the figure could end up in the neighborhood of $47 billion to $48 billion -- much too close to last year's all-time-high surplus of $52.1 billion to win Japan points in Washington.

Susan MacKnight

Internationalization Of The Yen Advances

What a difference four years can make. In May 1984 Japan agreed, under U.S. pressure, to take measures to increase the use of the yen in international transactions. The thinking, at least to the Americans who pushed the idea, was that increased demand for the yen would raise its value relative to the dollar, which looked overvalued at the time.

The idea did not work, at least not immediately. The yen depreciated against the dollar in the months following the agreement, although in 1985 the yen and other major world currencies reversed course and began rising against the American currency. As a perceived factor in exchange rates, the May 1984 yen-dollar accord has been superseded by dramatic multilateral agreements, such as the Plaza Accord, that have tried alternatively to destabilize or stabilize currency exchange rates -- with varying degrees of success (see JEI Report No. 40A, October 21, 1988).

Japan's Total Trade in Dollar Terms

(in millions of dollars)

	Exports (f.o.b.)	Change Over Year-Earlier Period	Imports (c.i.f.)	Change Over Year-Earlier Period	Trade Balance
1983	$146,928	5.8%	$126,393	-4.2%	$20,534
1984	170,114	15.8	136,503	8.0	33,611
1985	175,638	3.2	129,539	-5.1	46,099
1986	209,151	19.1	126,408	-2.4	82,743
1987	229,221	9.6	149,515	18.3	79,706
1986: I	45,499	18.2	33,005	1.5	12,494
II	53,166	21.5	31,424	-2.1	21,742
III	54,768	24.7	30,153	-3.5	24,615
IV	55,718	12.6	31,826	-5.5	23,892
1987: I	51,464	13.1	31,977	-3.1	19,487
II	56,931	7.1	36,380	15.8	20,551
III	57,855	5.6	38,346	27.2	19,509
IV	62,972	13.0	42,812	34.5	20,159
1988: I	60,296	17.2	44,499	39.2	15,797
II	65,184	14.5	47,331	30.1	17,563
III(p)	67,128	16.0	47,294	23.3	19,834

Japan's Total Trade in Yen Terms

(in billions of yen)

	Exports (f.o.b.)	Change Over Year-Earlier Period	Imports (c.i.f.)	Change Over Year-Earlier Period	Trade Balance
1983	Y34,909	1.4%	Y30,014	-8.1%	Y4,895
1984	40,325	15.5	32,321	7.7	8,004
1985	41,956	4.0	31,085	-3.8	10,871
1986	35,290	-15.9	21,551	-30.7	13,739
1987	33,315	-5.6	21,737	0.9	11,578
1986: I	8,674	-12.4	6,334	-24.1	2,339
II	9,119	-17.3	5,399	-33.3	3,720
III	8,632	-18.5	4,758	-36.8	3,874
IV	8,865	-15.1	5,060	-28.9	3,806
1987: I	7,960	-8.2	4,959	-21.7	3,002
II	8,153	-10.6	5,207	-3.6	2,946
III	8,507	-1.5	5,644	18.6	2,864
IV	8,694	-1.9	5,928	17.2	2,767
1988: I	7,715	-3.1	5,687	14.7	2,028
II	8,164	0.1	5,927	13.8	2,237
III(p)	8,919	4.8	6,285	11.4	2,634

Japan's Trade with the United States in Dollar Terms

(in millions of dollars)

	Exports (f.o.b.)	Change Over Year-Earlier Period	Imports (c.i.f.)	Change Over Year-Earlier Period	Trade Balance
1983	$42,829	17.9%	$24,648	1.9%	$18,181
1984	59,937	39.9	26,862	9.0	33,075
1985	65,278	8.9	25,793	-4.0	39,485
1986	80,456	23.3	29,054	12.6	51,401
1987	83,580	3.9	31,491	8.4	52,090
1986: I	16,696	25.1	6,278	-7.3	10,418
II	20,921	24.3	8,305	25.1	12,616
III	21,280	28.1	7,525	23.1	13,755
IV	21,559	16.7	6,946	10.8	14,613
1987: I	18,001	7.8	6,986	11.3	11,015
II	21,181	1.2	7,592	-8.6	13,589
III	21,628	1.6	8,252	9.7	13,376
IV	22,770	5.6	8,660	24.7	14,110
1988: I	19,859	10.3	10,088	44.4	9,772
II	21,608	2.0	10,451	37.7	11,157
III(p)	23,044	6.6	10,655	29.1	12,389

Japan's Trade with the United States in Yen Terms

(in billions of yen)

	Exports (f.o.b.)	Change Over Year-Earlier Period	Imports (c.i.f.)	Change Over Year-Earlier Period	Trade Balance
1983	Y10,179	12.9%	Y5,855	-2.3%	Y4,323
1984	14,221	39.7	6,364	8.7	7,858
1985	15,583	9.6	6,213	-2.4	9,369
1986	13,564	-13.0	4,918	-20.9	8,646
1987	12,148	-10.4	4,582	-6.8	7,566
1986: I	3,191	-6.9	1,203	-30.7	1,988
II	3,589	-15.4	1,421	-15.1	2,168
III	3,355	-16.3	1,190	-19.3	2,165
IV	3,429	-12.1	1,104	-16.9	2,325
1987: I	2,786	-12.7	1,083	-9.9	1,703
II	3,034	-15.5	1,086	-23.6	1,948
III	3,180	-5.2	1,215	2.1	1,965
IV	3,148	-8.2	1,198	8.5	1,950
1988: I	2,541	-8.8	1,290	19.1	1,251
II	2,706	-10.8	1,308	20.5	1,398
III(p)	3,062	-3.7	1,416	16.6	1,646